

# Arkansas Insurance Department

Mike Beebe  
Governor



Julie Benafield Bowman  
Commissioner

## **NEWS RELEASE**

### **FOR IMMEDIATE RELEASE**

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### **Consumer Alert: Arkansans Should Be Wary of Charitable Organizations Acting As Insurance Companies**

LITTLE ROCK, ARKANSAS (May 30, 2007) —State Insurance Commissioner Julie Benafield Bowman today cautioned Arkansas consumers about a Tennessee-based charitable organization. At least three states have issued cease-and-desist orders against National Foundation of America (NFOA) of Franklin, Tennessee for acting as an insurance company.

The NFOA is allegedly an unauthorized entity marketing an annuity product to consumers by convincing them to replace existing annuities or cash value life insurance policies for a “tax-deductible installment plan.” NFOA says this plan will produce guaranteed income each year while lowering taxable income by up to 50 percent, according to its Web site. They also market installment contracts on real estate.

“Our department has not received any evidence that NFOA has been marketing their products in Arkansas,” Bowman said. “However, I want to remind Arkansans they should only purchase insurance products from a registered insurance or financial company and a licensed insurance agent or broker.”

(MORE)

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To check the license status of a company or agent or to report a complaint, consumers may call the Consumer Services Division of the Arkansas Insurance Department at 1-800-852-5494.

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